

Message Text

CONFIDENTIAL

PAGE 01 VIENNA 09767 01 OF 02 091120Z
ACTION OES-07

INFO OCT-01 EUR-12 EA-10 ISO-00 FEA-01 ACDA-12 CIAE-00
INR-07 IO-13 L-03 NSAE-00 NSC-05 EB-08 NRC-05
DODE-00 SS-15 SP-02 PM-05 /106 W
-----017330 091141Z/21

R 090911Z NOV 77

FM AMEMBASSY VIENNA
TO SECSTATE WASHDC 3993
INFO USERDA HQ WASHDC
USERDA HA GERMANTOWN
AMEMBASSY TAIPEI

CONFIDENTIAL SECTION 1 OF 2 VIENNA 9767

USIAEA

DEPT PASS IO/SCT

EO 11652: GDS
TAGS: IAEA , PARM, TECH
SUBJECT: U.S./ROC IAEA SAFEGUARDS DISCUSSIONS

REF: STATE 262131

BEGIN SUMMARY: U.S. REPS MET IN VIENNA ON NOVEMBER 3 WITH
REPRESENTATIVES OF IAEA AND ROC. FOLLOWING FULL DISCUSSION
OF ISSUES, AGENCY CONCLUDED THAT EXPANDED COVERAGE OF
U.S./ROC BILATERAL WAS A MATTER SOLELY BETWEEN USG AND ROC
AND NOTIFICATION TO AGENCY OF INVENTORY CHANGES COULD BE
TREATED IN ROUTINE FASHION. A KEY ISSUE RAISED WAS WHETHER
U.S./ROC EXCHANGE OF LETTERS SHOULD BE ON CLASSIFIED
BASIS; ROC WAS CONCERNED ABOUT ITS OWN LEGISLATIVE PROBLEMS
AND IAEA WAS CONCERNED ABOUT REACTION OF IAEA BOARD OF
GOVERNORS MEMBERS. IT WAS AGREED THAT LETTER TO IAEA ON
THESE U.S./ROC ARRANGEMENTS WAS NOT RPT NOT NECESSARY
OR DESIRABLE. FOLLOWING GENERAL MEETING, A WORKING
CONFIDENTIAL

CONFIDENTIAL

PAGE 02 VIENNA 09767 01 OF 02 091120Z

GROUP MET TO CONSIDER SPECIFIC ISSUES REGARDING HOW
INVENTORY CHANGE NOTIFICATION WOULD BE GIVEN IN VARIOUS
CIRCUMSTANCES. AGREEMENT REACHED WAS THAT JOINT
ROC/U.S. INVENTORY CHANGE NOTIFICATION COULD TAKE PLACE
ON AGENCY FROM N-36 WITH FOOTNOTE, WHERE APPROPRIATE,
DENOTING COUNTRY OF ORIGIN. INFORMAL STATUS OF MEETING
WAS RECOGNIZED BY AGENCY; AGENCY SECRETARIAT CONSIDERS

THAT IT HAS NOT RPT NOT BEEN OFFICIALLY OR FORMALLY INFORMED OF SPECIAL U.S./ROC ARRANGEMENTS, NOR DOES IT WISH TO BE SO INFORMED. SECRETARIAT IS AWARE THAT DISCUSSIONS BETWEEN ROC AND U.S. ARE NOT COMPLETE. SEPARATE DISCUSSIONS WITH DR. CHENG AND OTHER ROC REPS FOLLOWING THE WORKING GROUP GENERALLY ADDED LITTLE TO POINTS ALREADY DISCUSSED IN WASHINGTON ON OCTOBER 28. CHENG ACCEPTED SUGGESTION THAT INITIAL JOINT NOTIFICATION COULD USE ROC'S DECEMBER 31, 1977, INVENTORY. END SUMMARY.

1. FOLLOWING INDIVIDUALS MET ON NOVEMBER 3 AT IAEA: FISCHER, ROMETSCH, KLICK, THORNE, BUECHLER, RAINER, PAPADIMITROPOULOS (IAEA); CHENG (CAEC; LEE (INER, DEPUTY TO CHIEN); YU WEI, CHEYNE CHIU (INSTITUTE OF CHINESE CULTURE, VIENNA); AMB. STONE, MAHY (MISSION); GLASGOW (DOE); MENZEL (ACDA).

2. DR CHENG OPENED THE DISCUSSION BY STATING PURPOSE OF MEETING. ALTHOUGH ROC FELT THAT BEST ROUTE WAS TO SEEK FORMAL AMENDMENT OF ROC/U.S. BILATERAL, IT REALIZES THAT THIS MAY NOT BE POSSIBLE AT PRESENT AND THEY SUPPORT LESS FORMAL AGREEMENT THROUGH EXCHANGE OF LETTERS. ROMETSCH OPENED FOR AGENCY ON THEME THAT ONLY NECESSITY WAS UNAMBIGUOUS NOTIFICATION TO AGENCY OF INVENTORY CHANGES. ROMETSCH MENTIONED THAT CONFIDENTIAL

CONFIDENTIAL

PAGE 03 VIENNA 09767 01 OF 02 091120Z

HE HAD DISCUSSED THE MATTER WITH EDWARDS (DIRECTOR OF IAEA LEGAL DIVISION) AND THAT EDWARDS HAD OPINED THAT QUESTION WAS ONE OF MECHANICS. AGENCY LAWYER RAINER, AND ALSO BUECHLER, AGREED THAT WHAT FALLS UNDER THE BILATERAL IS A MATTER BETWEEN THE U.S. AND THE ROC.

3. FISCHER QUESTIONED WHETHER FORMAL AMENDMENT TO U.S./ROC BILATERAL WAS NECESSARY AND, IN ANY EVENT, WHETHER AGENCY BOARD WOULD HAVE TO BE NOTIFIED IN VIEW OF EFFECT THIS WOULD HAVE OF EXPANDING SCOPE OF IAEA/ROC/U.S. SAFEGUARDS TRANSFER AGREEMENT (INFCIRC/158). GLASGOW NOTED THAT U.S. HAD CONSIDERED LEGAL BASIS FOR ROC/U.S. DECISION TO TREAT ALL MATERIALS, EQUIPMENT AND DEVICES IN ROC AS BEING UNDDR ARTICLES VIII, X, XI AND XII OF U.S./ROC BILATERAL AND HAD CONCLUDED THAT FORMAL AMENDMENT OF THAT BILATERAL WAS NOT REQUIRED. EXPRESSING VIEW THAT TERMS OF U.S./ROC UNDERSTANDING WERE CONSISTENT WITH STA, U.S. REPS POINTED TO SECTION 9(B)(I) OF STA. ROMETSCH ADDED THAT SECTION 12 OF THE STA WAS ALSO PERTINENT AND COULD BE QUOTE EXTENSIVELY INTERPRETED END QUOTE.

TO FISCHER'S CONCERN THAT U.S./ROC UNDERTAKING WOULD EXPAND SCOPE OF STA IN SIGNIFICANT MANNER REQUIRING NOTIFICATION TO BOG, ROMETSCH REPLIED THAT ONLY ADDITIONAL AGENCY OBLIGATION WAS ANNUAL NOTIFICATION TO U.S. ON NON-U.S. MATERIAL.

4. SUBJECT OF MEETING TURNED BRIEFLY TO SPECIAL INSTANCES OF NOTIFICATION (NON-U.S. PRESENT INVENTORY, FUTURE NON-U.S. SUPPLY, INDIGEOUS PRODUCTION). RAINER MENTIONED THAT ALTHOUGH AGENCY WOULD BE "STRETCHING THINGS", A STANDARD JOINT U.S./ROC NOTIFICATION TO THE AGENCY WOULD SUFFICE FOR ALL THESE CASES AND AGENCY WOULD NOT NEED TO BE ADVISED OF THE U.S./ROC UNDERSTANDING SINCE IT WAS A MATTER BETWEEN THE U.S.

CONFIDENTIAL

CONFIDENTIAL

PAGE 04 VIENNA 09767 01 OF 02 091120Z

AND ROC. ROMETSCH SAID AGENCY WOULD SIMPLY ADVISE ROC/U.S. IN NORMAL FASHION OF ITS RECEIPT OF COMPLETED

CONFIDENTIAL

NNN

CONFIDENTIAL

PAGE 01 VIENNA 09767 02 OF 02 091139Z
ACTION OES-07

INFO OCT-01 EUR-12 EA-10 ISO-00 FEA-01 ACDA-12 CIAE-00
INR-07 IO-13 L-03 NSAE-00 NSC-05 EB-08 NRC-05
DODE-00 SS-15 SP-02 PM-05 /106 W
-----017578 091142Z /21

R 090911Z NOV 77
FM AMEMBASSY VIENNA
TO SECSTATE WASHDC 3994
INFO USERDA HQ WASHDC
USERDA HQ GERMANTOWN
AMEMBASSY TAIPEI

CONFIDENTIAL SECTION 2 OF 2 VIENNA 9767

USIAEA

DEPT PASS IO/SCT

INVENTORY CHANGE NOTIFICATION. AGENCY DOES NOT RPT NOT

DESIRE A COVER LETTER (PARA 12 REFTEL) TO ACCOMPANY
NOTIFICATION. IT WAS AGREED TO CONSIDER SPECIFIC
QUESTIONS IN SMALLER WORKING GROUP. IN CONCLUDING
REMARKS, FISCHER BACKED OFF PREVIOUSLY EXPRESSED VIEW
THAT NOTIFICATION TO AGNEY'S BOARD WAS NECESSARY.

5. WORKING GROUP CONVENED IMMEDIATELY FOLLOWING GENERAL
MEETING. THOSE IN ATTENDANCE WERE: BUECHLER, RAINER,
THORNE, PAPADIMITROPOULOS, MAHY, GLASGOW, MENZEL, ROC
REPS. CHENG OPENED DISCUSSION WITH QUESTION OF HOW
NOTIFICATION WOULD BE HANDLED IN CASE OF MATERIAL
TRANSFERRED TO ROC FROM NON-U.S. SUPPLIER. U.S.
POINTED OUT THAT AS MATTERS NOW STAND, ROC IS NORMALLY
UNABLE TO OVTAIN SUCH TRANSFERS FROM NON-U.S. SOURCES
UNLESS THEY ARE WITHIN SCOPE OF ROC UNILATERAL SUB-

MISSION AGREEMENT ON THE TRR AND ASSOCIATED RESEARCH
CONFIDENTIAL

CONFIDENTIAL

PAGE 02 VIENNA 09767 02 OF 02 091139Z

FACILITIES (INFCIRC/133, I.E., TTHE ONLY IAEA SAFEGUARDS
AGREEMENT WITH ROC OTHER THAN THE U.S. TRILATERAL).
U.S. FURTHER POINTED OUT TO CHENG, PRIVATELY, LAST
PARAGRAPH OF DFAFT LETTER (PARA 10 OF REFTEL) WOULD
BENEFIT ROC BY ESTABLISHINGUMBRELL AFOR SUPPLY OF
NUCLEAR MATERIAL AND EQUIPMENT FROM NON-U.S. SOURCEES
AFTER CONSULTATION AND CONSENT BY US A NUMBER OF
EXAMPLES OF OSSIBLE NON-U.S. SUPPLY WERE CONSIDED.

6. BUECHLER POINTED OUT THAT THE SUPPLIER, IF AN NPT
PARTY OR ZANGGERCOMMITTEE MEMBER, WOULD NEED TO OBTAIN
ASSURANCE THAT ITS PROPOSED
TRANFER WOLD BE SUBJECT TO APPROPRIATE
SAFEGUARD. BUECHLER STATED THAT A PRENTIAL SUPPLIER, SUCH
AS THE FRG, SHOULD TURN TT THE
ROC RATHRER THAN THE AGENCY FOR ASSURANCE
THAT THE TRANSERRED EQUIPMENT OR MATERIAL WOULD BE
SUBJECTTO SAFEGUARDS. (WE NOTE, HOWEVER THAT A

EPONSIBLE POTENTIAL SUPPLIER WOULD WANT TO HAVE ASSURANCES
INDEPENDENT OF THE RECIPIENT.) IT WAS AGREED THAT POSSIBLE
ADDITIONS TO THE STA INVENTORY FROM NON-U.S. SUPPLIERS WOULD
BE HANDLED BY A JOINT U.S./ROC NOTIFICATION (FORM N-36) WITH
FOOTNOTE FOR COUNTRY OF ORIGIN. IT WAS USGGESTED THAT ROC
COULD INITIATE THE JOINT NOTIFICATION FOR PUTTING NON-
US-ORIGIN ITEMS ON THE INVENTORY. (WE NOTE THAT THIS
ARRANGEMENT, ALSO, WOULD NOT PROVIDE THE NECESSARY
INDEPENDENCE FORM RECIPIENT INTERESTS TO REPRESENT
GOOD SAFEGUARDS PRACTICES.) BUECHLER THOUGHT THAT THE
REFERENCE REQUIRED ON FORM N-36 SHOULD BE SECTION 9(?)I)

OF THE STA. U.S. POINTED OUT TO CHENG PRIVATELY THAT
JOINT NOTIFICATION MIGHT BE USED AS MECHANISM FOR THE
CONFIDENTIAL

CONFIDENTIAL

PAGE 03 VIENNA 09767 02 OF 02 091139Z

"MUTUAL CONSENT" PROVISION OF U.S./ROC DRAFT LETTER
EXCHANGE (REFTEL).

7. WITH RESPECT TO THE PRESENT INVENTORY UNDER THE
ROC UNILATERAL SUBMISSION AGREEMENT, IT WAS AGREED THAT
THE SAME PROCEDURE AS PARA 6 ABOVE COULD BE USED. IT
WAS FURTHER AGREED TO USE THE DECEMBER 31, 1977,
INVENTORY DATA AND JANUARY 1, 1978, AS EFFECTIVE DATE
OF TRANSFER FORM N-36 WOULD THEN BE SUBMITTED AS SOON
AS POSSIBLE AFTER JANUARY 1, 1978.

8. MATTER INDIGENOUS MATERIAL (E.G. URANIUM

EXTRACTED FROM PHOSPHATE IN TQIWAN) WAS ALSO
DISCUSSED. CHENG SAID ROC DECISION WAS TO PLACE
"EVERYTHING" UNDER U.S./ROC BILATERAL. IN BUECHLER'S
JUDGMENT, NPT APPROACH TO STARTING POINT OF SAFEGUARDS
WOULD SERVE HERE.

9. MAHY RAISED QUESTION OF WHETHER MATERIAL PRODUCED
FROM NON-U.S.-SUPPLIED MATERIAL WOULD BE SUBJECT TO
AGENCY SAFEGUARDS IF RETURNED TO U.S. AGENCY'S VIEW WAS
THAT SUCH PRODUCED MATERIAL OR SUBSTITUTE SHOULD BE
UNDER AGENCY SAFEGUARDS IN U.S. SINCE THE NON-U.S.-
SUPPLIED MATERIAL WOULD, UNDER THIS SCHEME, BE
DEEMED TO BE U.S.-SUPPLIED. THE STATUS IN THE U.S.
OF THAT NON-U.S.-SUPPLIED MATERIAL (AS OPPOSED
TO PRODUCED MATERIAL) IF TRANSFERRED TO THE U.S., WOULD
BE DEPENDENT ON THE CONDITION UNDER WHICH IT WAS
ACTUALLY SUPPLIED TO ROC.

10. QUESTION OF COVERAGE OF HEAVY WATER UNDER
U.S./ROC/IAEA STA WAS RAISED BY US. BUECHLER
RESPONDED THAT HE SAW NO PROBLEM SINCE ARTICLE 10 OF
THE STA REFERS TO "MATERIAL" WHICH IN AGENCY'S VIEW
COVERS HEAVY WATER. CHENG DID NOT OBJECT.

CONFIDENTIAL

CONFIDENTIAL

PAGE 04 VIENNA 09767 02 OF 02 091139Z

11. CHENG AGAIN OPENED QUESTION ABOUT CONFIDENTIALITY
OF U.S./ROC LETTER EXCHANGE. CHENG SEEMED TO
CONTEMPLATE THAT U.S./ROC EXCHANGE OF LETTERS WOULD

NECESSARILY BE ON CONFIDENTIAL BASIS AND IF ROC DECISION

WAS TO TREAT MATTER AS "OPEN EXCHANGE" IT WHOULD BE DONE
THROUGH AMENDMENT ROUTE. HOWEVER, HE CONTINUED TO E
UNSURE OF REACTION TO OPEN LETTERS OR AMENDMENT BY
INTERNAL ROC BODIES. ALTHOUGH AGENCY VIEWS THIS AS
BEING STRICTLY BETWEEN U.S. AND ROC, AGNEYCY REPS
CLEARLY DESIRED CONFICENTIAL EXCHANGE OF LETTERS
BETWEEN U.S. AND ROC TO AVOID POSSIBLE AGENCY BOARD
QUESTIONS ON BROADENING SCOPE OF SAFEGUARDS IN ROC.
IN FACT, AGENCY WANTS TO BE NOTIFIED ONLY OF U.S./ ROC
AGREED INVENTORY CHANGES. NEED EXISTS FOR U.S. TO
CAREFULLY CONSIDER PROS AND CNS OF TREATING EXCHANGE
OF LETTERS ON CLASSIFIED BASIS IF ROC SHOULD SO
REQUEST. (NOTE, PRESENT DRAFT LETTERS ARE CONFIDENTIAL.)
STONE

CONFIDENTIAL

NNN

Message Attributes

Automatic Decaptoning: X
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: NUCLEAR SAFEGUARDS, DIPLOMATIC DISCUSSIONS, MEETING REPORTS
Control Number: n/a
Copy: SINGLE
Sent Date: 09-Nov-1977 12:00:00 am
Decapton Date: 01-Jan-1960 12:00:00 am
Decapton Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1977VIENNA09767
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: GS
Errors: N/A
Expiration:
Film Number: D770413-1247
Format: TEL
From: VIENNA USIAEA
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1977/newtext/t19771177/aaaacnsm.tel
Line Count: 294
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: 0e302f1e-c288-dd11-92da-001cc4696bcc
Office: ACTION OES
Original Classification: CONFIDENTIAL
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 6
Previous Channel Indicators: n/a
Previous Classification: CONFIDENTIAL
Previous Handling Restrictions: n/a
Reference: 77 STATE 262131
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 17-Nov-2004 12:00:00 am
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 649513
Secure: OPEN
Status: NATIVE
Subject: U.S./ROC IAEA SAFEGUARDS DISCUSSIONS
TAGS: PARM, TECH, US, CH, IAEA
To: STATE
Type: TE
vdkgvgwkey: odbc://SAS/SAS.dbo.SAS_Docs/0e302f1e-c288-dd11-92da-001cc4696bcc
Review Markings:
Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
22 May 2009
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009